DOCKET FILE COPY ORIGINAL

WEIKLE & Co.

Received & inspected

REDACTED - FOR PUBLIC INSPECTION

JUL - 2 2014

June 30, 2014

FCC Mail Room

Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 12th St, SW Washington, D.C. 20554

> RE: WC Docket No. 10-90, WC Docket No. 11-42 FCC Form 481 - Carrier Annual Reporting Ellerbe Telephone Company

Dear Secretary:

This FCC Form 481- Carrier Annual Reporting is being submitted on behalf of Ellerbe Telephone Company in accordance with FCC Rules 54.313 and 54.422. There are two copies of a Redacted – For Public Inspection version. In addition there is one copy with financial information marked as confidential information in accordance with a November 16, 2012 Protective Order, DA12-1857. A Redacted – For Public Inspection version is also being filed via ECFS.

If there are any questions, I can be reached at 704.699.9451.

Sincerely,

Jerry Weikle

Jenny Weish

Consultant to Ellerbe Telephone Company

Attachments

cc: Charles Tyler, Telecommunications Access Policy Division (Two Confidential Copies)

No. of Copies rec'd______ List ABCDE

JERRY L. WEIKLE
President

-010>	Study Area Code	230478		
V.30000	Study Area Code Study Area Name	ELLERBE TEL CO		Received & Inspecte
<020>	Program Year	2015		Hecelvin or maheore
	Contact Name: Person USAC should contact with questions about this data	Jerry Weikle		JUL -2 2014
<035>	Contact Telephone Number: Number of the person identified in data line <030>	7047827738 ext.		
<039>	Contact Email Address: Email of the person identified in data line <030>	jweikle@windstrea	n.net	FCC Mail Room
100		TANK SIN		54.313 54.422
AIAILLA	NI REPORTING FOR ALL CARRIERS			Completion Completion
INNUA	AL REPORTING FOR ALL CARRIERS			(check box when complete)
100>	Service Quality Improvement Reporting		(complete attached worksheet)	1 Milita
<200>	Outage Reporting (voice)		(complete attached worksheet)	1 1
<210>	AND THE PROPERTY OF THE PROPER	outages to report		1
<300>	Unfulfilled Service Requests (voice) 0			
:310>	Detail on Attempts (voice)			11111
			(attach descrip	tive document)
<320>	Unfulfilled Service Requests (broadband)			√ (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)
				26.68
<330>	Detail on Attempts (broadband)		(attach descri	iptive document)
<400> <410>	Number of Complaints per 1,000 customers (voice)			
<420>	Mobile			1
<430>	Number of Complaints per 1,000 customers (broad)	pand)		1 SEMEN
<440> <450>	Fixed 0.0 Mobile 0.0			- A. A. A. A. A.
<500>	Service Quality Standards & Consumer Protection R	ules Compliance	(check to indicate certification)	1 1
	230478NC510.pdf		7	
<510>			(attached descriptive document)	1 1
<600>	Functionality in Emergency Situations		(check to indicate certification)	
-000	230478NC510.pdf			
	1		(ottached descriptive document)	1 1
<610>				
<700>	Company Price Offerings (voice)		(complete attached worksheet)	1 Maria
<710>	Company Price Offerings (Voice)		(complete attached worksheet)	1 11/11
<800>	Operating Companies and Affiliates		(complete attached worksheet)	1 1
<900>	Tribal Land Offerings (Y/N)?		If yes, complete attached worksheet)	1
1000>	Voice Services Rate Comparability 230478NC1010.pdf		(check to indicate certification)	1 11 11 11 11
	VALUE ACCESSION OF THE SECOND		1	
<1010>			(attach descriptive document)	
<1100>	Terrestrial Backhaul (Y/N)?		(if not, check to indicate certification)	V 1000000
	0 0			254160
<1110> <1200>	Terms and Condition for Lifeline Customers		(complete attached worksheet) (complete attached worksheet)	MINNEY V
	Price Cap Carriers, Proceed to Price Cap Additional	Documentation Wor		
2000	Including Rate-of-Return Carriers affiliated with Pri	ce Cap Local Exchang		* * * * * * *
2000>			(check to indicate certification) (complete attached worksheet)	111811
	Rate of Return Carriers, Proceed to ROR Additional	Documentation Wo	:	
3000>			(check to indicate certification)	11.53.61
<3005>			(complete attached worksheet)	The Car Car Car Car Car Car Car

(100) Se	rvice Quality Improvement Reporting			FCC Form 481
Data Co	llection Form			OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
waster.	PRO 0. 32 - 203 - 0.			
<010>	Study Area Code	230478		
<015>	Study Area Name	ELLERBE TEL C	20	and the desired product of the state of the
<020>	Program Year	2015	errore error brown a recentation remove	
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle	APPROXIMATE OF SECURITION OF SECURITION AND ASSESSMENT	
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 e	xt.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikleSwind	stream.net	
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	. (/no) O O	
<111>	year plan" filed with the FCC?	(yes	/no) U U	
<112>	If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service. Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your of CETC which only receives frozen support, your progress report is only required to address voice telephony service.	company is a	230478NC100.pdf	
	Please check these boxes below to confirm that the attached documents(s), on li 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.	ine		Name of Attached Document
<113>	Maps detailing progress towards meeting plan targets			
<114>	Report how much universal service (USF) support was received			
<115>	How (USF) was used to improve service quality			
<116>	How (USF)was used to improve service coverage			
<117>	How (USF) was used to improve service capacity			
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.			

(200) Service Outage Reporting (Voice)

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	230478
<015>	Study Area Name	ELLERBE TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikleGwindstream.net

<220>

<a>>	<b1></b1>	<b2></b2>	<b3></b3>	<b4></b4>	<c1></c1>	<c2></c2>	<d></d>	<e></e>	<f></f>	<g></g>	<h></h>
NORS Reference Number	Outage Start Date	Outage Start Time	Outage End Date	Outage End Time	Number of Customers Affected	Total Number of Customers	911 Facilities Affected (Yes / No)	Service Outage Description (Check all that apply)	Did This Outage Affect Multiple Study Areas (Yes / No)	Service Outage Resolution	Preventative Procedures
		200									

100000000000000000000000000000000000000	ce Offerings including Voice Rate Data				CC Form 481	
Data Coll	lection Form				July 2013	. 3060-0986/OMB Control No. 3060-0819
		erae various de l'ambient	The second secon	nacione del e constituto del Particolor del Consti	CONTRACTOR CONTRACTOR	
<010>	Study Area Code		230478			
<015>	Study Area Name		ELLERBE TEL CO			
<020>	Program Year		2015			
<030>	Contact Name - Person USAC should contact regarding this data		Jerry Weikle			
<035>	Contact Telephone Number - Number of person identified in data	a line <030>	7047827738 ext.			
	Contact Email Address - Fmail Address of person identified in data		jweikle@windstream.net			
120-120-110						
<701>	Residential Local Service Charge Effective Date	1/1/2014				
<702>	Single State-wide Residential Local Service Charge	15.14				

<703>

<a1></a1>	<a2></a2>	<93>	<b1></b1>	 Residential Local	<b3></b3>	<b4></b4>	Mandatory Extended Area	<0
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Service Rate	State Subscriber Line Charge	State Universal Service Fee	Service Charge	Total per line Rates and Fe
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-								<u> </u>
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		-						
		-						
		-						
	1							1

	adband Price Offerings ection Form						FCC Form OMB Cont July 2013	a of No. 3060-0986/	OlViB Control No. 3060-09
:010>	Study Area Code			230478					
015>	Study Area Name			ELLERBE TEL CO					
020>	Program Year			2015			THE CALL OF THE PARTY OF THE PARTY OF		
030>	Contact Name - Person USA	THE RESERVE OF THE PARTY OF THE	ALTER VINETO CO. BUT CONTROL THE PLANT OF THE PARTY OF	Jerry Weikle 7047827738 ext					
)35>	Contact Telephone Number				CONTRACTOR A PROPERTY				
)39>	Contact Email Address - Em	all Address of person identif	ied in data line <030>	jweikleswindst	ream.net				
711>	<a1></a1>	<a2></a2>	<b1></b1>	<b2></b2>	<c></c>	<d1></d1>	<d2></d2>	<d3></d3>	<d4></d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (select)
				- See attac	hed				
				worksheet -					
				 					
			 						

ata Col	erating Companies lection Form			FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-081 July 2013				
		230478	3,400 acameter 254 *17 o					
<010>	Study Area Code							
<015>	Study Area Name	EPTERBE TRY CC						
020>	Program Year	2015		the determinant of the contract of the second of the secon				
030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle						
<035>	Contact Telephone Number Number of person identified in data line <030>	7047827738 ext						
<039>	Contact Email Address - Email Address of person identified in data line <030>	jwejkle@winds	tream.net					
<810>	Reporting Carrier Ellerbe Telephone Company							
<811>	Holding Company							
<812>	Operating Company							
<813>	<a1></a1>		<a2></a2>	<a3></a3>				
	Affiliates		SAC	Doing Business As Company or Brand Designation				
			//					
	See attached worksheet							

	al Lands Reporting ection Form		FCC Form 481 OMB Control No. 3060-0286/OMB Control No. 3060-0819
- Tonas			July 2013
<010>	Study Area Code	230478	
<015>	Study Area Name	ELLERBE TEL CO	
<020>	Program Year	2015	
<030>	Contact Name Person USAC should contact regarding this data	Jerry Weikle	The second secon
<035>	Contact Telephone Number - Number of person identified in data line <		
<039>	Contact Fmail Address - Email Address of person identified in data line <	030> jweiklewwindstream.net	CONTRACTOR STATEMENT CONTRACTOR C
<910>	Tribal Land(s) on which ETC Serves		
	Γ		
<920>	Tribal Government Engagement Obligation		
	L	Nan	ne of Attached Document
		Assert	
If your c	ompany serves Tribal lands, please select (Yes,No, NA) for each these boxes		
	rm the status described on the attached document(s), on line 920,	Select	
	trates coordination with the Tribal government pursuant to	(Yes,No,	
§ 54.313	3(a)(9) includes:	NA)	
<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.		
<922>	Feasibility and sustainability planning;	11111	
<923>	Marketing services in a culturally sensitive manner;		
<924>	Compliance with Rights of way processes		
<925>	Compliance with Land Use permitting requirements		
<926>	Compliance with Facilities Siting rules		
<927>	Compliance with Environmental Review processes		
<927>	A CONTRACT OF THE CONTRACT OF		
<9Z0>	Compliance with Cultural Preservation review processes		

	o Terrestrial Backhaul Reporting oction Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	230478
<015>	Study Area Name	ELLERBE 7EL CO
<02.0>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Jexry Weikle
<035> <039>	Contact Telephone Number - Number of person identified in data line <030> Contact Email Address - Email Address of person identified in data line <030	> 704/82/738 ext.
<1120>	Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)	
<1130>	Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)	

Lifeline	rms and Condition for Lifeline Customers	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<015>	Study Area Code Study Area Name Program Year Contact Name - Person USAC should contact regarding this data Contact Telephone Number - Number of person identified in data line <030> Contact Email Address - Email Address of person identified in data line <030	### ##################################
<1210>	Terms & Conditions of Voice Telephony Lifeline Plans Link to Public Website HTTP	Name of Attached Document
or the wel	neck these boxes below to confirm that the attached document(s), on line 1210, bsite listed, on line 1220, contains the required information pursuant to (a)(2) annual reporting for ETCs receiving low-income support, carriers must	
<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	
<1222>	Details on the number of minutes provided as part of the plan,	
<1223>	Additional charges for toll calls, and rates for each such plan.	

2000) Pr	ice Cap Carrier Additional Documentation	FCC Form 481
ota Coll	ection form	Olive Control No. 3050 0986/OMB Control No. 3060-0819
actuding	Rate-of-Return Carriers offiliated with Price Cap Local Exchange Carriers	July 2013 The composition of the composition of the end of the composition of the compos
<010> <015> <020> <030> <025> <025>	Study Area Code Study Area Name Program Year Contact Name - Person USAC should contact regarding this data Contact Telephone Number - Number of person identified in data line <030> Contact Final Address - Email Address of person identified in data line <030>	1478 LERBE TEL CO 15 TY Weikle 17827738 ext. piklewindstream.net
CHECK th	ie boxes below to note compliance as a recipient of Incremental Connect Amer	hase I support, fruzen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II information reported on this form and in the documents attached below is accurate.
	Incremental Connect America Phase I reporting	
<2010>	2nd Year Certification (47 CFR § 54.313(b)(1))	printerior and the second seco
<2011>	3rd Year Certification {47 CFR § 54.313(b)(2)}	
	Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))	
<2012>	2013 Frozen Support Certification	
<2013>	2014 Frozen Support Certification	
<2014>	2015 Frozen Support Certification	
<2015>	2016 and future Frozen Support Certification	
	Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}	
<2016>	Certification Support Used to Build Broadband	
	Connect America Phase II Reporting (47 CFR § 54.313(e))	
<2017>	3rd year Broadband Service Certification	├ ── ┤
<2018>	5th year Broadband Service Certification	<u> </u>
<2019>	Interim Progress Certification	
<2020>	Please check the box to confirm that the attached document(s), on pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II suppor addresses of community anchor institutions to which began providi preceding calendar year.	Il provide the number, names, and
<2021>	Interim Progress Community Anchor Institutions	1
		Name of Attached Document Listing Required Information

	te Of Return Carrier Additional Documentation action Form		PCC Form 481 OMB Control No. 3050-0986/OMB Co	ontrol No. 3060-0819
<010>	CONTRACTOR AND	230478	11 - 2 - 5 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	
<015>	Study Area Name	ELLERBE TEL CO		
<020>	Program Year Contact Name Person USAC should contact regarding this data	2015		
<035>	Contact Name - Person USAC should contact regarding this data Contact Telephone Number - Number of person identified in data line <030>	Jerry Weikle		
<039>	Contact Email Address - Email Address of person identified in data line <030>	7047827738 ext. jyciklegwindstream.net		
	THE CONTROL OF THE CONTROL OF THE STATE OF THE CONTROL OF THE CONT			Hara San Barrier Co.
CHECK	to beset below to note compliance on its foreyour courts, quality plan (pursues CFR 6 to 352(6)2). However, colly that the	it to 47 CSS § 54.222(:)) and, for palestely both carriers, we enformation reported on this form end in the document		uirements set forth in 47
(3010)	Progress Report on 5 Year Plan			
	Milestone Certification (47 CFR § 54.313(f)(1)(i))			
		Name of Attached Document Listing Required	Information	
	Please check this box to confirm that the attached document(s), on line 3 § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresproviding access to broadband service in the preceding calendar year.			
(3012)	Community Anchor Institutions (47 CFR § 54.313{f}(1)(ii)}			
		Name of Attached Document Listing Required Information		
(3013) (3014)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) If yes, does your company file the RUS annual report	(Yes/No (Yes/No	\mathbb{Q}	
Please	check these boxes to confirm that the attached document(s), on line 3017	7. contains the required information pursuant to § 54.3	313(f)(2) compliance requires:	
	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	,		
(3016)	Document(s) for Balance Sheet, Income Statement and Statement of Ca	sh Flows		
		230478NC3017.pdf		
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation			
		Name of Attached Document Listing Required Informati	on a c	
(3018)	If the response is no on line 3014, Is your company audited?	(Yes/N		
(00.07		L • 01000 • 00		
	If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a fo	ormat comparable to RUS Operating Report for Telecommu	nications	
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of C	ash Flows		
(3021)	Management letter issued by the independent certified public accountant that			
82.5058	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		_	
(3022)	Copy of their financial statement which has been subject to review by an		<u></u>	
*******	independent certified public accountant; or 2) a financial report in a		L	
	format comparable to RUS Operating Report for Telecommunications			
	Borrowers,			
(3023)	Underlying information subjected to a review by an independent certified			
(nend)	public accountant			
(3024) (3025)	Underlying information subjected to an officer certification. Document(s) for Balance Sheet, Income Statement and Statement of Ca	neh Flowe	41	
		2311110#3		
(3026)	Attach the worksheet listing required information			
		Name of Attached Document Listing Required Informatio	n	

	ion - Reporting Carrier ection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0019 July 2013
<010>	Study Area Code	230478
<015>	Study Area Name	ELLERBE TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

I certify that I am an officer of the reporting carrier; my responsibiliti recipients; and, to the best of my knowledge, the information reporte	es include ensuring the accuracy of the annual reporting requirements for universal service support ed on this form and in any attachments is accurate.
Name of Reporting Carrier: RLLERGE TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier: 230478	Filing Due Date for this form: 07/01/2014

The state of the s	ion - Agent / Carrier ection Form	FCC Form 481. OMB Control No. 3060-0986/QMB Control No. 3060-0819 July 2013
<010>	Study Area Code	230478
<015>	Study Area Name	ELLERBE TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

I certify that (Nama of Agent)	is authorized to submit the information reported on behalf of the reporting carrier.				
also cartify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.					
Name of Authorized Agent:					
Name of Reporting Carrier:					
Signature of Authorized Officers	Date:				
Printed name of Authorized Officent					
Title or position of Authorized Officer:					
Telephone number of Authorizad Officer:					
Study Area Gode of Reporting Carrier:	Filing Due Date for this form:				

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent /	Authorized to File Annual Reports for CAF or LI Recipier	nts on Behalf of Reporting Carrier
[2] 이 경영 등 경영 (2) 전 경영 (2) 전 경영 (2) 전 (2)	orized to submit the annual reports for universal service support or eporting carrier; and, to the best of my knowledge, the information	[동생기를 즐겁게 함께 2. [기본 시간] 시간 시간 시간 시간 [기본 시간 시간] [기본 시간
Name of Reporting Carrier:		
Name of Authorized Agent of Employee of Agent:		
Signature of Authorized Agent or Employee of Agent:		Date:
Printed name of Authorized Agant or Employee of Agent:		
Title or sosition of Authorities Agent or Employee of Agent		
Telephane number of Authorized Agent of Employee of Age	ent;	
Study Area Code of Reporting Carriar:	Filing Due Date for this form:	

Attachments

Elierbe Telephone Initial Five Year Service Quality Improvement Plan For the Calendar Years 2015-2019 Line 100

Discussion

Ellerbe Telephone is an ETC designated by the North Carolina Utilities Commission and is submitting its initial five year service quality improvement plan (Plan) as required by 47 CFR § 54.313(a)(1) and 54.202 (a)(1)(ii). Ellerbe Telephone is an incumbent carrier with a service area in the state of North Carolina, with 1,500 access lines served as of 12/31/2013 in one exchange. Ellerbe Telephone is a rate-of-return (ROR) regulated carrier.

The five year plan reflected herein represents Ellerbe Telephone's ongoing efforts to expand high quality, reasonably-priced broadband services throughout its service area. Ellerbe Telephone has generated a five-year plan in compliance with the Commission's rules, although the out years in the plan (years 3-5) are highly speculative in nature and thus will likely change, sometimes substantially, in future progress updates filed with the Commission. Reasons for the speculative nature of years 3-5 of the Plan include (1) the unknown nature of universal service support in those years, in light of the Commission's USF/ICC Transformation Order, (2) the difficulty in forecasting customer counts, demand, and other factors directly affecting network demand, and (3) the rapid pace of technological innovations in the communications industry makes it difficult to plan more than one or two years in advance with any degree of accuracy.

The Plan presented herein by necessity includes expenditures not directly tied to "improvements or upgrades" of Exarbe Telephone's network, such as amounts for the maintenance and upkeep of existing telecommunications plant. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

Initial Five Year Service Quality Improvement and Investment Plan

Ellerbe Telephone's service quality improvement and investment plan consists of two major components: (1) capital expenditures it sees as necessary to meet the voice and broadband public interest obligations as adopted by the Commission, state service quality and network build out requirements, and general upkeep and maintenance of its network; and (2) operating expenditures necessary to meet the same obligations.

As shown on the following pages, Ellerbe Telephone will work to place fiber in its distribution route to start serving homes and businesses. This will allow customers to receive a more reliable service and faster broadband speeds. Ellerbe Telephone will replace its current TDM based switch with a softswitch to provide more reliable services. Ellerbe Telephone will work to maintain its network in order to keep it operating efficiently and to avoid problems from impacting customers.

Considerations

The investment and service quality improvement plans discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission:

230478NC100

- Speed at least 4 mbps downstream and 1 mbps upstream
- Latency 100mS or less, sufficient for real-time applications
- Capacity Unlimited capacity per month
- As an RoR regulated carrier, Ellerbe Telephone is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 4 mbps/1 mbps upon reasonable request and within a reasonable timeframe. When customers request broadband service, employees check engineering records to determine if there are limitations on speeds. Where possible two copper pairs can be bonded to increase speeds for customers. Ellerbe Telephone currently is able to provide 4 mbps/1 mbps to the majority of customers now. It is estimated that approximately 50 customers are not able to receive 4 mbps/1 mbps primarily due to long copper toop lengths.
- Elierbe Telephone determines into which parts of its network are feasible to upgrade and increase capacity by analyzing relevant factors such as population, demand, costs, likely revenues, regulatory requirements, and availability of work force and materials.

Study Area Code Study Area Name 230478
EilerbeTelephone Company

PART A - PROJECT LIST FOR 2015-2019

Project	Start Date	Completion	Areas	Population	Total Dollars	Part 32 Account	Voice, Broadband, Both, etc.
	= <u>100 - 10000</u>					->	

Study Area Code Study Area Name 230478

EllerbeTelephone Company

Part B: 5-Year Proposed Capital Expenditures and Operating Expenses

(1) Use the chart below to break out the regulated portion of the cost/expense on a per-year basis

Please note that the 5-Year Plan should include regulated plant/expenses only.

- III - MANAGEMENT		apital Expend		γ			
Account	Description	2015	2016	2017	2018	2019	Total Projected CapEx 2015-2019
2111 & 2121	Land & Building		At an				
2112	Vehicles						
2122-2124	Support Assets						
2210	Switching Equipment						
2232	Circuit Equipment						
2410	Cable & Wire Facilities						
1220	Materials & Supplies						
	Total Capital Expenditures						
- MARKAGA	Total Capital Expenditures						
		erating Expe	nditure (OpE	x) Projection	s	- "	
Account	Regulated Op Operating Expenses	erating Expe	nditure (OpE	x) Projection	s 2018	2019	Total Operating Expenses 2015-
Account 6110-6120	Regulated Op					2019	
	Regulated Op					2019	Expenses 2015-
6110-6120	Regulated Op Operating Expenses General Support Maintenance					2019	Expenses 2015-
6110-6120 6210	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance					2019	Expenses 2015-
6110-6120 6210 6230	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance COE Transmission Maintenance					2019	Expenses 2015-
6110-6120 6210 6230	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance COE Transmission Maintenance Cable & Wire Facilities					2019	Expenses 2015-
6110-6120 6210 6230 6410	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance COE Transmission Maintenance Cable & Wire Facilities Non-Specific (Testing, Plant Op.,					2019	Expenses 2015-
6110-6120 6210 6230 6410	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance COE Transmission Maintenance Cable & Wire Facilities Non-Specific (Testing, Plant Op., Engineering)					2019	Expenses 2015-
6110-6120 6210 6230 6410 6530 6561-2110	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance COE Transmission Maintenance Cable & Wire Facilities Non-Specific (Testing, Plant Op., Engineering) General Support Depreciation					2019	Expenses 2015-
6110-6120 6210 6230 6410 6530 6561-2110 6561-2210	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance COE Transmission Maintenance Cable & Wire Facilities Non-Specific (Testing, Plant Op., Engineering) General Support Depreciation Switching Depreciation					2019	Expenses 2015-
6110-6120 6210 6230 6410 6530 6561-2110 6561-2210 6561-2230	Regulated Op Operating Expenses General Support Maintenance Switching Maintenance COE Transmission Maintenance Cable & Wire Facilities Non-Specific (Testing, Plant Op., Engineering) General Support Depreciation Switching Depreciation Circuit Equip Depreciation					2019	Expenses 2015-
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Ellerbe Telephone

Service Quality Standards and Consumer Protection Rules Compliance Explanation Line 510

Certification

Effective Telephone Company certifies that it complies with applicable service quality standards and consumer protection rules for both voice services and broadband services.

Service Quality

Ellerbe Telephone Company is regulated by the North Carolina Utilities Commission (NCUC). The NCUC has service quality rules in effect that Ellerbe must comply with for voice services and the rules are found in NCUC Chapter 9, Rule R9-8. The NCUC does not have rules in place regarding broadband service quality.

Here is a link to Chapter 9 rules located on the NCUC website:

http://www.ncuc.net/ncrules/Chapter09.pdf

Rule R9-8 requires that certain service objectives be met and that company results be reported to the NCUC on a quarterly basis within 45 days after the end of each quarter. Ellerbe has set up procedures and processes to remain in compliance with the Rule R9-8 objectives. This includes maintaining procedures and processes to record monthly results, tabulate them, and report them to the NCUC.

During the calendar year 2013, Ellerbe met all required NCUC service quality objectives. The NCUC objectives are listed below:

Rule R9-8. Service objectives for regulated local exchange telephone companies and competing local providers (CLPs).

(a) <u>Service Objectives</u>. Each regulated local exchange telephone company and CLP snall perform and provide service in accordance with the following uniform service objectives:

Measure No.	Description	Objective
1	intraoffice completion rate	99% or more
3	Interoffice completion rate	98% or more
3	EAS transmission loss	95% or more between 2 and 10 dB
2.	EAS trunk noise	95% or more 30 dBrnc or less
Ĉ	Operator "0" answertime	90% or more of calls answered within 10 seconds or ASA of 6 seconds
€	Directory assistance answertime	85% or more of calls answered within 10 seconds or ASA of 6 seconds

7	Business office answertime	ASA of 30 seconds
8	Repair service answertime	ASA of 30 seconds
9	Initial customer trouble reports	4.75 or less per 100 total access lines
10	Repeat reports	1.0 report or less per 100 total access lines
1.1	Out-of-service troubles cleared within 24 Hours	95% or more
12	Regular service orders completed within 5 working days	90% or more
13	New service installation appointments	5% or less
14.	New service held orders not completed within 30 days	0.1% or less of total access lines

Consumer Protection

Ellerbe Telephone Company is committed to maintain the privacy of customer information. In addition to protecting personal information the company is obligated to protect information on how customers use their services. Ellerbe Telephone Company follows all requirements the FCC has mandated concerning Customer Proprietary Network Information (CPNI). As required, Ellerbe files annual CPNI compliance certifications with the FCC by March 1 each year.

Ellerbe Telephor a Company also has an Identity Theft Prevention Program in place to comply with Red Flag Identity Theft prevention rules. This program ensures that no information pertaining to our customers is compromised and that information from new customers is accurate and does not represent a stolen identity.

There are no NGUC or state rules in place for broadband consumer protection. Ellerbe Telephone Company does follow federal laws relating to broadband service. Ellerbe Telephone Company does publicly disclose croadband terms and prices for customers.

Ellerbe Telephona Functionality in Emergency Situations Line 610

Backup/Emergency Power

Ellerbe Telephone's main Central Office has both battery backup and permanent mounted generator backup. When commercial power fails, batteries carry all central office equipment until the generator comes on within one minute of power failure. If the generator fails to come on, batteries can carry the central office for 12-16 hours.

One remote switch has both bettery backup and permanent mounted generator backup. When commercial power fails, batteries carry all central office equipment until the generator comes on within one minute of power failure. If the generator fails to come on, batteries can carry the equipment for 16-18 hours.

Both generators at the main Central Office and the remote switch are propane powered and can run for 5-7 days on the artual supply.

All small remote switches have battery backup that can carry the equipment for 6-10 hours in the event of commercial power failure. They also have ports where a portable generator will be connected to supply power to the remote. These portable generators are gasoline powered and can run for 4-6 hours on their fuel supply. During the event of an emergency, these portable generators are resupplied with fuel on a regular basis.

Network Facilities

Ellerbe is located in the Wilmington, NC LATA and connects to an AT&T Central Office in Rockingham, NC to connect to the Laurinburg, NC tandem. Ellerbe has redundant fiber facilities that connect to the Rockingham office that are on different geographic routes. During times of an emergency or damage to facilities, traffic is rerouted over redundant facilities as needed.

Priority Line Assignments

Ellerbe's Central Office switch is a Genband DMS-10. This switch is configured with a certain number "priority" line assignments in each line assignment group. Ellerbe assigns local municipal, fire, EMS, and rescue telephone numbers to these priority line assignment positions. Should the switch get in an overload status because of a traffic spike, it automatically prioritizes these positions to remain in service before non-priority line assignments.

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NC	Ellerbe	35.9	0.0	35.9	3.0	1.0	0.0	Other, No limit on usage allowance
NC	Ellerbe	44.9	0.0	44.9	6.0	1.0	0.0	Other, No limit on usage allowance
NC	Ellerbe	54.9	0.0	54.9	10.0	1,0	0.0	Other, No limit on usage allowance
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Eilerbe Telephone
Voice Services Rate Comparability
Line 1010

The FCC released a Public Notice on March 20, 2014 (DA 14-384) which listed the urban average rate as \$20.46 for residential customers. The same Public Notice listed the rate that is a reasonably comparable pendamark at \$46.95.

Ellerbe Telephone charges all residential customers \$15.14 plus a federal Subscriber Line Charge of \$5.50 for monthly service with unlimited local calling. The total of these charges is \$21.64 which is less than the reasonably comparable benchmark of \$46.96.

Because of this, Ellerbe Telephone is able to certify that it's pricing of fixed voice service is no more than two standard declarions above the applicable national average urban rate for voice service.

Ellerbe Telephone Lifeline Terms and Conditions Line 1210

As a state regulated wireline carrier, Ellerbe Telephone offers Lifeline service in accordance with FCC rules and terms and conditions in its tariff. The terms and conditions of the tariff are included starting on the next page of this file.

Minutes of Usa

Each Lifeline customer has unlimited local usage and is able to make local calls at no additional charge. Each Lifeline customer is also able to receive unlimited local and long distance calls at no additional charge.

Toll Charges

Each Lifeline customer is able to receive toil blocking to avoid incurring unexpected toil charges. In the event the customer would like to make toil calls then the customer is able to choose which long distance company they would like to use and then choose which rate plan is best for them.

GENERAL SUBSCRIBER SERVICES TARIFF

ELLERBE TELEPHONE COMPANY SECTION 3
SIXTH REVISED PAGE 10
CANCELING FIFTH REVISED PAGE 10

ISSUED: December 18, 2013 EFFECTIVE DATE: January 1, 2014 DOCKET NO. P-100 SUB 133F
Allowed To Become Effective Pursuant
To G.S. 62-139 and G.S. 62-134

S3. BASIC LOCAL EXCHANGE SERVICE

DEC 2 7 2013

S3.11 LIFELINE

\$3.11.1 DESCRIPTION OF SERVICE

N.C. UTILITIES COMMISSION

- ia. The Lifeline Program is designed to increase the availability of telecommunication services to low income subscribers by providing a credit to monthly recurring local service to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's rules found in CFR § 54.410. Customers must be certified by the appropriate state agency that they participate in one of the following programs: Medicaid; Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program (LiHEAP); National School Lunch Program's free lunch program; Temporary Assistance for Needy Families (TANF); or, be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States. Such certification must be provided to the Company. Specific terms and conditions are as prescribed by the North Carolina Utilities Commission and are set forth in this Tariff.
- Lifeline is supported by federal and state universal support mechanisms.
- c. Federal baseline support of \$9.25 is available to each Lifeline Service and is passed through to the subscriber The total Lifeline credit available to an eligible customer in North Carolina is \$9.25. The amount of credit will not exceed the charge for local service, which includes access line, touch tone service, the Subscriber line charge and local usage.

(0)

S3.11.2

REGULATIONS

a. General

(1)

- (2) One low income credit is available per household and is applicable to the primary residential connection only. The name subscriber must be a current recipient of the low income assistance programs as identified in Section 3.11.2b following.
- (3) A lifetine customer may subscribe to any local service offering available to other residential customers

GENERAL SUBSCRIBER SERVICES TARIFF

ELLERBE TELEPHONE COMPANY SECTION3
SECOND REVISED PAGE 11
CANCELING FIRST REVISED PAGE 11

ISSUED: October 11, 2013 BY: President

To G.S. 62-130 and G.S. 62-134

OCT 1 3 2013

N.C. UTILITIES COMMISSION

EFFECTIVE: October 11, 2013

S3. BASIC LOCAL EXCHANGE SERVICE

S3.11 LIFELINE (Continued)

3.11.2 REGULATIONS (Continued)

General (Continued)

- (4) Customized Code Restriction Option 2 as specified in Section 13.18.1e., and the Billed Number Screening as specified in Section 13.19 of this tariff, will be offered at no charge to the lifeline subscribers to establish toll blocking.
- (5) The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required.
- (6) A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local calls in accordance with Section 2 of this Tariff. Access to toll service may be denied for non-payment of regulated tolls. In such cases Customized Code Restriction Option 2 and Billed Number Screening will be applied to the Lifeline Subscribers service at no charge. A lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges as long as all outstanding local charges are paid.
- (7) Partial payments made by customers will be applied first to local service charges, then to toll charges.
- (8) The presubscribed Interexchange Carrier Charge (PICC) will not be billed to Lifeline customers who subscribe to Customized Code Restriction Option 2 for toll blocking and who do not presubscribe to a long distance carrier.

Eligibility

- To be eligible for a Lifeline credit, a customer must be a current recipient of any one
 of the following low income assistance programs.
 - (a) Temporary Assistance for Needy Families (TANF)
 - (b) Supplemental Security Income (SSI)

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REDACTED - FOR PUBLIC INSPECTION

GENERAL SUBSCRIBER SERVICES TARIFF

ELLERBE TELEPHONE COMPANY

SECTION3 THIRD REVISED PAGE 12 CANCELING SECOND REVISED PAGE 12

ISSUED: Oxober 11, 2013

BY: President

EFFECTIVE: October 11, 2013

S3. BASIC LOCAL EXCHANGE SERVICE

S3.11 LIFELINE (Continued)

3.11.2 REGULATIONS (Continued)

Eligibility (Continued)

(c) Supplemental Nutrition Assistance Program (SNAP)

(d) Medicaid

(e) Low Income Home Energy Assistance Program (LIHEAP)

(f) Federal Public Housing Assistance (Section 8)

(g) National School Lunch Program's free lunch program; or

(i) Provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines.

Allowed To Second Effective Pursuant To G.S. 62-130 and G.S. 52-134

OCT 1 3 2013

FILED N.C. UTILITIES COMMISSION (2) A standard application form will be available only from the agency administering the qualifying program and not from the Company. All applications are subject to verification with the state agency responsible for administration of the qualifying program.

c Certification

- (1) Proof of eligibility in any of the qualifying programs should be provided to the Company at the time of application of service. The Lifeline credit will not be established until proof of eligibility has been received by the company. If the customer requests installation prior to the Company's receipt of proof of eligibility, the requested service will be provided without the Lifeline credit. When eligibility documentation is provided subsequent to installation, the Lifeline credit will be provided on a going forward basis.
- (2) The Company will audit its records every 12 months working in conjunction with the appropriate state or federal agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
- (3) When a customer is determined to be ineligible as a result of an audit, the Company will send the customer a written notice of ineligibility. If the customer cannot provide eligibility documentation, the Lifeline credit will be discontinued.

GENERAL SUBSCRIBER SERVICES TARIFF

REDACTED - FOR PUBLIC INSPECTION

ELLERBE ;
TELEPHONE COMPANY

SECTION 3
SEVENTH REVISED PAGE 13
CANCELING SIXTH REVISED PAGE 13

ISSUED: December 18, 2013 EFFECTIVE DATE: January 1, 2014

S3. BASIC LOCAL EXCHANGE SERVICE

\$3.11 LIFELINE (Continued)

3.11.3 RATES AND CHARGES

- a.General
 - Lifeline is provided as a monthly credit and the eligible residential subscriber's access line bill for local service.
 - (2) Service Charges in section 4 are applicable for installing or changing Lifeline service.

(3)

- (4) The secondary service Order Charge is section 4 is not applicable when existing service is converted intact to Lifeline.
- b. The total Lifeline Credit consist of one federal.

(C)

(1) Federal Credit

Monthly Credit

(b) ALL PROGRAMS

\$9.25

(2)

(D) (D) (D)

Allowed To Become Effective Parsumet To G.S. 62-130 and G.S. 62-134

DEC 2 7 2013

N.C. UTILITIES COMMISSION

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OPERATING REPORT FOR	ORT FOR	<u>.</u>	REDACTED -	FOR PUBLIC INSPECTION	NOLON
ELECOMMONICA FONS BORROWERS	BORROWEN		(Prepared with Audited Data)		
NSTRUCTIONS-Submit report to RUS within 50 days after class of the period. For densited instructions, see RUS Bulletin 1744-2. Report in whole dollars only	s after close of the pe sport in whole doller	r only.	PERIOD ENDING BORR December, 2013 NGO	BORROWER DESIGNATION NC0539	
We hereby certify that the entries to this :	aport are in accor	Cl dance with the acc	CERTIFICATION We havely cartify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system.	the syctome	
to the best of our knowledge and being ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAP RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.	CFR PART 1788, D FOR ALL PO	CHAPTER XVI	to the best of our knowledge and being! ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.	ERIOD AND	***************************************
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All of the obligations under the RUS loan docu- have been fullished in all material respects	aments		There has been a default in the fulfiltment of the obligations under the RUS burn documents. Said default(s) letters specifically described in the Telecom Operating Report		**************
		DATE			*******
		PART /	PART A. BALANCE SHEET		Ц
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	PRIOR YEAR BID OF PERIOD	8
URRENT ASSETS			CURRENT LIABILITIES	Ц	Ш
Cash-RUS Construction Fund			25. Accounts Payable 26. Notes Payable		
3. Allinates:			27. Advance Billings and Payments		SAMIL
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
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8. Prepayments 9. Other Current Assets			37. Funded Debt-FFB Notes 38. Funded Debt-FFB Notes		
9. Total Current Assets (1 Thru 9)	d				
ONCURRENT ASSETS 1. Investment in Affiliated Companies			Funded Debt-Rural Develop, Loan Characterist on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development Other Investments			43. Obliga ions Under Capital Lease 44. Adv. From Afficiated Companies		
a. Rural Development			O her Long-Term Debt		- N
b. Nonrural Development Nonrecutated investments			OTHER LIAB. & DEF. CREDITS		
Other Noncurrent Assets			67. O her Long-Term Liabilities		
5. Deferred Charges	-!-		48. O her Deferred Credits		
7. Total Moncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
LANT, PROPERTY, AND EQUIPMENT			EQUITY		
9. Property Held for Future Use			52. Additional Paid-in-Capital		
Plant Under Construction			53. Treasury Stock		
Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
2 Less Accumulated Depreciation			55. O'her Capital		
L TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

NC0539

REDACTED - FOR PUBLIC INSPECTION

PERIOD ENDING

INSTRUCTIONS- See RUS Bulletin 1744-2

December, 2013

34. Miscellaneous Credits Year-to-Date 35. Dividends Declared (Common) 36. Dividends Declared (Preferred) 37. Other Debits Year-to-Date 38. Transfers to Patronage Capital 39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)] 40. Patronage Capital Beginning-of-Year	INSTRUCTIONS- See RUS BURean 1744-2	A		
1. Local National Sanciacs Revenues 2. Network Access Services Revenues 3. Long Distanco Nation Services Revenues 3. Long Distanco Nation Services Revenues 4. Center Billing and Collection Revenues 5. Miscollaneous Revenues 6. Uncollectible Revenues 7. Net Operating Revenues († thru 5 lees 6) 8. Plant Specific Operations Expense 9. Plant Nonopocific Operations Expense 9. Plant Nonopocific Operations Expense 10. Dispraciation Expense 11. Americanion Expense 12. Customer Operations Expense 13. Corporate Operations Expense 14. Total Operating Expenses (8 thru 13) 15. Operating Operations Expense 14. Total Operating Expenses (8 thru 13) 16. Other Operating Expenses (8 thru 13) 17. State and Lout Times 18. Federal Income of Mergins (16 state) 19. Other Times 20. Total Operating Income on Mergins (15-16-20) 21. Interest on Funda Obet 22. Interest on Funda Obet 23. Interest on Funda Obet 24. Total Operating Income on Mergins (15-16-20) 25. Anti-American Expense 26. Anti-American Expense 27. Netroporating Nat Income 28. Extraordinary Bilders 29. Other Interest Expense 20. Other Interest Expense 20. Norropating Nat Income 20. Norropating Nat Income 20. Norropating Nat Income 20. Norropating Nat Income 21. Total Peternoon of Mergins (21-27-28+29+0-28) 27. Not Debat State Stat	PART B. STATEMENTS OF INCOME A	ND RETAINED EARNING	GS OR MARGINS	W
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5. Microflamous Revenues († thru 5 leas 6) 6. Uncollocible Revenues († thru 5 leas 6) 7. Net Operating Revenues († thru 5 leas 6) 8. Plent Norgicii Operations Expense 9. Plent Norgicii Operations Expense 11. Amortization Expense 11. Amortization Expense 11. Amortization Expense 11. Amortization Expense 12. Customer Operations Expense 13. Corporate Operations Expense 13. Corporate Operations Expense 14. Total Operating Expenses († thru 13) 15. Operating Income or Mergins (7 less 14) 16. Other Operating Income and Expenses 17. State and Local Taxes 18. Fedoral Income Taxes 19. Other Taxes 19. Total Operating Income or Mergins (15+16-20) 21. Net Operating Income or Mergins (15+16-20) 22. Interest on Funded Dobt 23. Interest Expense - Capital Lesses 24. Other Interest Expenses 25. Allowence for Funds Used During Construction 26. Total Flend Charges (22+23+24-25) 27. Nonoperating Not Income 28. Extraordinary Illems 29. Jurisdictional Differences 30. Norregulated Net Income 31. Total Net Income or Mergins (21+27+28+29-30-26) 32. Total Taxes Based on Income 33. Rotalined Exmings or Mergins Beginning of-Yeer 34. Miscollamous Credits Year - Doble 35. Dividends Ductured (Common) 36. Other Oblas Stories Operating Stories (131+33+34) - (35+36+37+38)] 37. Other Oblas Stories Operating Capital End of-Yeer (40+41-42) 38. Paranage Capital Beginning of-Yeer 39. Paranage Capital Beginning of-Yeer 40. Transfers to Petronage Capital End of-Yeer (40+41-42) 40. Paranage Capital End of-Yeer (40+41-42) 41. Transfers to Petronage Capital Capital Capital Stories 45. Cash Ratio (14+20-10-11) / 7] 46. Operating Accusel Ratio (14+20-26) / 7] 47. Text (151-250) / 26]	Long Distance Network Services Revenues			
6. Uncollectible Revenues 7. Net Operating Revenues (1 thru 5 leas 6) 8. Plant Specific Operations Expense (Excluding Depreciation & Amortization) 9. Plant Norspecific Operations Expense (Excluding Depreciation & Amortization) 10. Depreciation Expense 11. Amortization Expense 12. Customar Operations Expense 13. Corporate Operations Expense 14. Total Operating Expenses (8 thru 13) 15. Operating Income or Margins (7 less 14) 16. Other Operating Expenses (8 thru 13) 17. State and Local Taxes 17. State and Local Taxes 19. Other Taxes 20. Total Operating Taxes (17+18+19) 21. Not Operating Income or Margins (15+16-20) 22. Interest on Funded Dabt 23. Interest Expense - Capital Leases 24. Other Interest Expense 25. Allowance for Funds Used During Construction 26. Total Sead Charges (22+23+24-26) 27. Nonoperating Not Income 28. Extraordinary Name 29. Aurodicional Differences 20. Aurodicional Differences 21. Total Taxes Based on Income 21. Total Read Charges (27+28+28+29+30-28) 23. Aurodicional Differences 24. Other Interest Expense 25. Overdinary Name 26. Extraordinary Name 27. Retained Earnings or Margins Beginning of Year 28. Retained Earnings or Margins Beginning of Year 29. Other Dabits State of Income 30. Rotained Earnings or Margins Beginning of Year 31. Total Taxes Based on Income 32. Other Obstate State of Income 33. Other Obstate Operating (21+27+28+29+30-28) 34. Other Obstate Operating Capital End of Year (40+41-42) 44. Armand Dabt Service Payments 45. Cash Patin of Earling Capital End of Year (40+41-42) 45. Patronage Capital End of Year (40+41-42) 46. Operating Accusel Ratio (14+20-26) / 7] 47. IEER ((31+20)-26) / 7] 48. Cash Patin of End (24-20-26) / 7] 49. Capitaling Capital End of Year (40+41-42) 40. Armand Dabt Service Payments 40. Capitaling Capital End of Year (40+41-42) 41. Tax (31+31-41-42) / 40-41-42) 42. Armand Dabt Service Payments	4. Carrier Billing and Collection Revenues			
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REDACTED - FOR PUBLIC INSPECTION USDA-RUS BORROWER DESIGNATION NC0539 OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS PERIOD ENDED December, 2013 INSTRUCTIONS - See RUS Bulletin 1744-2 PARTIC, SCISSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION 2. SUBSCRIBERS (ACCESS LINES) 3. ROUTE MILES TOTAL (including fiber) (a) EXCHANGE BUSINESS RESIDENTIAL B-TOTAL **FIBER** (c) (b) Ellerbe MobileWireless 0 Route Mileage Outside Exchange Area 0.00 0.00 A COLUMN TO THE PARTY OF THE PA Total No. Exchanges

REDACTED - FOR PUBLIC INSPECTION BORROWER DESIGNATION USDA-RUS NC0539 OPERATING REPORT FOR PERIOD ENDED TELECOMMUNICATIONS BORROWERS December, 2013 INSTRUCTIONS - See RUS Bulletin 1744-2 Part C. SUBSORIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION 4. BROADBAND SERVICE **Details on Least Expensive Broadband Service** No. Access Lines No Of Broadpand with 33 Subscribers available Advertised Download Rate (Kbps) Type Of Technology **EXCHANGE** Number Of Advertised Price Per Month Standalone/Pckg Upload Rate (Kbps) (e) Subscribers (a) (d) (g) 137 Elterbe Total 144

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	I ELECOMMONICATION	S BORROWERS		December,		
INSTRUCTIONS- See RUS Bul	letin 1744-2			ULLE STATE OF THE		
		PART D. SYSTEM	I DATA			
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I teo time trabalicar	2 No Coast Esquiyess	3 Square Massa Served		4 Access Laures per Sepa	SE MILE	7 3 Securious per acome page
		PART E. TOLL I	DATA			- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
Study Area ID Code(s)	2. Typ	es of Toll Settlements (Check one))			
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	· ·	PART F. FUNDS INVESTED IN P	LANT DURING Y	EAR	77/14/	44,554,04
1. RUS, RTB, & FFB Loan Fund	ds Expended					
2. Other Long-Term Loan Fund	s Expended					
3. Funds Expended Under RUS						
4. Other Short-Term Loan Fund				*************		_
5. General Funds Expended (O	ther than Interim)					
6. Salvaged Materials						
 Contribution in Aid to Constru Gross Additions to Telecom. 		***************************************				+-
D. Gross Address to Teleconii.	7 Mark (1 480 7)					4—4
	P	PART G. INVESTMENTS IN AFF	LIATED COMPA	GES		
		CURRENT Y	EAR DATA		CUMULATIVE	DATA
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,	INVESTMENTS	Investment	Income/Loss	Investment	Income/Loss	Current
	(2V)	This Year	This Year	To Date	To Date	Balance
4	(a)	(6)	(c)	(4)	(0)	0
Investment in Affiliated Comp	Auries - Rurai Development					

USDA-RUS

BORROWER DES	SIGNATION
NC0539	REDACTED - FOR PUBLIC INSPECTION
PERIOD ENDING	
December, 2	013

OPERATING REPORT FOR	NC0539 REDAC	TED - FOR PI	DRFIC INSPECTI
TELECOMMUNICATIONS BORROWERS	PERIOD ENDING		
	December, 2013		
DART II CURDENT	DEBBECIATION DATES		
	DEPRECIATION RATES		
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)		X YES	П мо
		11. 12.5	
EQUIPMENT CATEGORY		DEBBE	CIATION RATE
L Land and support assets - Motor Vehicles		DEFRE	CIATION RATE
2. Land and support assets - Aircraft			
Land and support assets - Special purpose vehicles			
Land and support assets - Garage and other work equipment			
5. Land and support assets - Buildings			
5. Land and support assets - Furniture and Office equipment			
7. Land and support assets - General purpose computers			
Central Office Switching - Digital			
Central Office Switching - Analog & Electro-mechanical			
Central Office Switching - Operator Systems			
Central Office Transmission - Radio Systems			
2. Central Office Transmission - Circuit equipment			
3. Information origination/termination - Station apparatus			
4. Information origination/termination - Customer premises wiring			
5. Information origination/termination - Large private branch exchanges	s		
6. Information origination/termination - Public telephone terminal equip	ment		
7. Information origination/termination - Other terminal equipment			
8. Cable and wire facilities - Poles			
Cable and wire facilities - Aerial cable - Metal			
20. Cable and wire facilities - Aerial cable - Fiber			
21. Cable and wire facilities - Underground cable - Metal			
2. Cable and wire facilities - Underground cable - Fiber			
3. Cable and wire facilities - Buried cable - Metal			
4. Cable and wire facilities - Buried cable - Fiber			
25. Cable and wire facilities - Conduit systems			
6. Cable and wire facilities - Other			

	REDACTED - F	OR PUBLIC INSPECTION	
	USDA-RUS	BORROWER DESIGNATION NC0539	
	OPERATING REPORT FOR		
	TELECOMMUNICATIONS BORROWERS	PERIOD ENDED December, 2013	
INST	RUCTIONS - See help in the chiline application.	becamer, 2013	
	PART I – STATEMENT C	F CASH FLOWS	
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		
	CASH FLOWS FROM OPERATING ACTI	VITIES	
2.	Net Income		
	Acjustments to Reconcile Net Income to Net Cash Provided	I by Operating Activities	
3.	Add: Depreciation		
4.	Add: Amortization		
5.	Other (Exptsin)	i	
	Changes in Operating Assets and Liabil	ities	
6.	Decrease/(increase) in Accounts Receivable		
7.	Decrease/(Increase) in Materials and Inventory		
8.	Decrease/(Increase) in Precayments and Deferred Charges		
9.	Decrease/(increase) in Diner Gurrent Assets		
10.	Increase (Decrease) in Accounts Payable		_
11.	Increase/(Decrease) in Advance Billings & Payments		_
12.	Increase/(Dacrease) in Other Current Liabilities		_
13.	Net Cash Provided/(Used, Sy Querations CASh FLOWS FROM FINANCING ACTIV	ATTE O	-
14.	Decrease (increase) in house Receivable	THES	-
15.	Increase/Decrease) in woter Payada		_
16.			
17.	Increase/(Decrease) in Dustation Deposits Net increase/(Decrease) in Long Term Debt (including Current Maturities)		
18.	Increase/(Decrease) in Cther Liebrinies & Deferred Credits		-
19.	Increase (Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Ce	ertificates & Other Capital	-
20.	Less: Payment of Dividences	Timostoo a Osto. Oapitai	-
21.	Less: Patronage Capital Craokis Ratirea		
22.	Other (Exp.sin)		-
	C0002355540000000000000000000000000000000		
-14. 10.			
23.	Net Cash Provided/(Gaest on Phancing Activities		
	CASH FLOWS FROM INVESTING ACTIV	ITIES	H v
24.	Net Caolita: Expenditures (Property, Plant & Equipment)		
25.	Other Long-Term Investments		
26.	Other Noncurrent Assets & Junsciptional Differences		
27.	Other (Explain)		

Net Cash Provided/(Jesu) by recessing Activities
Net increase/(Decrease, in Cash
Ending Cash

28. 29. 30.

USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	NC0539
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
NOTES TO THE OPERATING REPO	ORT FOR TELECOMMUNICATIONS BORROWERS

USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	NC0539
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
CERTIFICATION LOAN DEFAULT NOTES TO THE O	PERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

EDDIE CARRICK, CPA, PC

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ellerbe Telephone Company and Subsidiary Ellerbe, North Carolina

Report on the Financial Statements

We have audited the accompanying consolidated balance sheets of Ellerbe Telephone Company and Subsidiary (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of stockholder's equity, income, comprehensive income, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ellerbe Telephone Company and Subsidiary as of December 31, 2013 and 2012 and the results of their operations and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules on pages 23 through 25 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the supplementary schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated June 9, 2014 on our consideration of Ellerbe Telephone Company and Subsidiary's internal controls over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ellerbe Telephone Company and Subsidiary's internal control over financial reporting and compliance.

Eddie Carrick, CPA Lexington, North Carolina

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June 9, 2014